



INDIANA  
**WORKFORCE**  
DEVELOPMENT  
AND ITS **WorkOne** CENTERS

**TO:** Indiana's Workforce Investment System

**FROM:** Gina DelSanto *gds*  
Senior Deputy Commissioner for Agency Policy and Performance

**DATE:** September 22, 2010

**SUBJECT:** DWD Policy 2010-04  
Using Rapid Response Funds for Incumbent Worker Training for Layoff  
Aversion

**Purpose**

This communications provides guidance on how Rapid Response funds may be used for layoff aversion incumbent worker training, what conditions may exist that identify the potential for future layoffs, and the protocols for requesting Rapid Response funds for layoff aversion incumbent worker training.

**Rescission**

None

**Content**

Background

On June 8, 2010, the United States Department of Labor-Employment and Training Administration (ETA) issued Training and Employment Guidance Letter (TEGL) 30-09, which provided guidance on the appropriate use of incumbent worker training for layoff aversion when using Rapid Response funds via an approved waiver. The State of Indiana currently has a waiver, approved by ETA on June 30, 2010, to utilize 20% of its Rapid Response funds to provide incumbent worker training in order to avert layoffs.

TEGL 30-09 defined layoff aversion as the following: "ETA considers a layoff averted when: 1) a worker's job is saved with an existing employer that is at risk of downsizing or closing; or 2) a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no or a minimal spell of unemployment." The TEGL provided each State with the authority to develop and implement policies and procedures for identifying a potential layoff situation that could be averted.

Conditions for Identifying Potential Layoff

One or more of the following conditions will be considered in order to utilize rapid response funds for layoff aversion incumbent worker training in Indiana:

- Business has laid off employees within Indiana within previous year;
- Business has discontinued a product line, services, or unit due to adverse market conditions or declining sales;
- Business has petitioned for bankruptcy or reorganization of debt;
- Business has been purchased and/or is under new ownership/management;
- Business is part of industry that is experiencing adverse market conditions (i.e. recreational vehicle industry);
- Business is part of supply chain to industry that is experiencing adverse market conditions (i.e. automotive components);
- Other specific conditions attested to by ownership or management of business.

Documenting Potential Layoffs

TEGL 30-09 is very specific that publicly-funded training to incumbent workers should not be provided when there is no foreseeable threat of layoffs in the future or when the incumbent worker training is provided in order to generally "increase the competitiveness" of the employer/business. As such, the State requires that an authorized company official attest in writing to the risk for layoff before Rapid Response funds will be allocated for layoff aversion incumbent worker training. This attestation must contain the reasons the business is at risk for layoffs and a brief justification for how training will help avert the potential for layoff.

Process for Requesting Rapid Response Funds for Layoff Aversion Incumbent Worker Training

The State Workforce Innovation Council (SWIC) Grants Committee will oversee the allocation of Rapid Response funds for layoff aversion incumbent worker training following the protocols established in DWD Policy 2009-08, Guidance for Requesting Workforce Investment Act (WIA) or Governor's Discretionary and Rapid Response and American Recovery and Reinvestment Act (ARRA) of 2009 Funding. Businesses seeking Rapid Response for layoff aversion incumbent worker training funds shall work with local or regional workforce boards, or their designees, in submitting a grant request to the SWIC Grants Committee.

**Effective Date**

Immediately

**Review Date**

June 30, 2011

**Action**

The guidance contained shall be followed when determining the need and requesting funds for Rapid Response-funded incumbent worker training for purposes of layoff aversion.

**Ownership**

Indiana Department of Workforce Development, Policy Division

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